

## Message Text

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ACTION ABF-01

INFO OCT-01 EUR-12 ISO-00 EB-07 COME-00 PM-04 CIAE-00

INR-07 NSAE-00 IGA-02 L-03 H-02 DODE-00 /039 W

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R 252248Z FEB 76

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 8939

LIMITED OFFICIAL USE OTTAWA 0775

E.O. 11652: N/A

TAGS: AGAO, MASS, EAIR, CA

SUBJ: PROPOSED GAO AUDIT OF PRATT-WHITNEY CANADA LTD.

1. FIVE-MEMBER GAO TEAM (FROM WASHINGTON AND NORFOLK),  
HEADED BY ANDREW B. MCCONNELL, ASSOCIATE DIRECTOR  
(PROCUREMENT SYSTEMS ACQUISITION DIVISION), MET FEB 25  
WITH RHEAL CHATELAIN, DEPUTY AUDITOR GENERAL OF CANADA,  
TO DISCUSS GAO'S PROPOSED AUDIT OF PRATT AND WHITNEY  
US NAVY ENGINE CONTRACTS. EXTAFF (MCPHEE, USA DIVISION)  
AND EMBASSY (TCO) ATTENDED. ATMOSPHERE WAS CORDIAL  
AND AGREEMENT QUICKLY REACHED BASED ON PRINCIPLE THAT  
AUDITOR GENERAL'S OFFICE WOULD UNDERTAKE OR DIRECT WORK.  
EXTAFF REP INDICATED PROPER PROCEDURE WOULD BE FOR USG  
TO MAKE FORMAL REQUEST OF GOC BY DIPLOMATIC NOTE AND  
EXTAFF WOULD THEN REQUEST AUDITOR GENERAL TO ASSIST.

2. MEETING AGREED THAT US WOULD SUBMIT NOTE COVERING MORE  
OR LESS FOLLOWING POINTS:

A. USG WILL ASK GOC TO PERFORM AUDIT.

B. USG WILL PROVIDE INDICATION OF ITS SCOPE AND  
ALL NECESSARY BACKGROUND INFORMATION.

C. USG WILL REIMBURSE GOC FOR DIRECT COSTS OF AUDITOR  
GENERAL'S OFFICE (AGO) FOR FIELD AUDIT TIME AND  
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EXPENSES (IN ACCORDANCE WITH CURRENT PROFESSIONAL FEE

SCHEDULES--IF PRIVATE AUDITORS HAVE TO BE CONTRACTED BY AGO--AND GOC TRAVEL REGULATIONS). AT INITIATION OF ASSIGNMENT, ESTIMATE OF COSTS WILL BE AGREED. IF ONLY THE SURVEY STAGE IS REQUIRED, NO REIMBURSEMENT WILL BE NECESSARY. BUT, IF AFTER COMPLETION OF SURVEY A DETAILED REVIEW IS REQUIRED, THE ENTIRE OPERATION WILL BE SUBJECT TO REIMBURSEMENT.

D. THE AUDITOR GENERAL'S OFFICE WILL HAVE RESPONSIBILITY FOR PERFORMANCE OF THE WORK BUT GAO WILL FURNISH ADVICE.

E. REPRESENTATIVES OF THE GAO WILL SERVE ON AUDIT TEAM (TWO PROFESSIONALS, OR AS OTHERWISE MAY BE NEGOTIATED BETWEEN THE PARTIES).

F. USG IS PREPARED TO OFFER SIMILAR ASSISTANCE TO GOC ON RECIPROCAL BASIS.

G. USG SECURITY CLEARANCES WILL BE PROVIDED, IF REQUIRED.

3. COMMENT: THE AUTHORITY OF GAO TO AUTHORIZE REIMBURSEMENT WAS NOT FULLY CLEAR TO ITS REPRESENTATIVES AT THIS MEETING. THEY WILL INVESTIGATE FURTHER UPON RETURN TO WASHINGTON. THEY WILL ALSO CONSULT WITH STATE REGARDING FORM AND CONTENT OF PROPOSED NOTE.

4. MCPHEE INFORMALLY INDICATED ARRANGEMENTS UNDER DISCUSSION LOOK GOOD SO FAR AS EXTAFF IS CONCERNED. TCO WILL TOUCH BASE WITH HIM LATER IN THE WEEK. ARRANGEMENTS ALSO MADE FOR AN INFORMAL REVIEW OF DRAFT NOTE BY EXTAFF AND AGO AFTER GAO HAS OBTAINED STATE DEPARTMENT CLEARANCE. ENDERS

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DEFENSE INDUSTRY, GAO AUDITS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 FEB 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D760071-1056  
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**Office:** ACTION ABF  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** morefirh  
**Review Comment:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** PROPOSED GAO AUDIT OF PRATT-WHITNEY CANADA LTD.  
**TAGS:** AGAO, MASS, EAIR, CA, PRATT-WHITNEY CANADA LTD  
**To:** STATE  
**Type:** TE  
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